

|  | Benefits Summary  |   |   |  |
|--|---|---|---|--|
|  | Near-Term<br>(Filing Season 2001-2002)  |   | Medium-Term<br>(Filing Season 2003-2005)*   | Long-Term<br>(Filing Season 2006-2008)**   |
|  | <b>Organizational Modernization Benefits (Not Process-Specific)</b><br><br>• Customized Services<br><br>• Greater focus on education and communication<br><br>• Early recognition and resolution of problems<br><br>• End-to-end accountability<br><br>• Management roles revised to move decisions closer to taxpayers<br><br>• Facilitate reengineering and deployment of technology<br><br>• More effective/efficient tax administration<br><br>• Increased practitioner involvement<br><br>• Empower employees to improve service (workforce realignment)<br><br>• Customer-focused organization (operating division realignment)<br><br>• Improved service to large and mid-sized businesses (industry realignment)<br><br>• Better alignment between field and service centers (service center realignment) | Increased value to proposition to transact electronically (2)<br>Selected value adding parties receive long awaited enhancements (2)  | More value adding third parties converting to e-Services and more being retained (2)<br>Targeted marketing focuses resources more efficiently and lowers administrative costs (2)<br>Targeted marketing helps to increase volume of e-Service usage by focusing on under-performing third parties and underserved taxpayers (2)                                     | Targeted and customized education via improved research and segmentation (2,8,9,10)<br>Improved taxpayer issues identification increases quality of communication (5,6,7,9)          |
|  |   | Improved taxpayer access to service, by telephone and Internet (1)<br>Improved workload management via intelligent call routing (1)   | Enhanced assistance options for taxpayers via secure e-mail correspondence (2,5)<br>Correct and consistent responses to taxpayer inquiries (5)<br>Proactive assistance via taxpayer case histories (10)<br>Targeted, timely employee training in enhanced assistance capabilities (11)  | Reduced cycle-time for registering new taxpayer entities (8)<br>Proactive, targeted assistance delivered through multiple channels (5,6,7,8,9,10,11)                                 |
|  |   | Some refunds within days for e-filers (2,3)<br>Increased electronic filing through third parties (2)  | Refunds within days for most taxpayers (2,3)<br>Reduced taxpayer burden, making it simpler and easier to file taxes (time, cost, etc.), via direct filing (2)<br>Increased taxpayer satisfaction leading to greater participation in e-Services and higher retention (2)  | Improved payment options for taxpayers (2)<br>Exceed RRA goal of 80% electronic submissions (2)<br>More effort spent serving taxpayers due to less effort spent processing paper (2) |
|  |   | Improved taxpayer access to service, by telephone and Internet (1)<br>Improved Power of Attorney management for e-filers (2)<br>Enhanced assistance messages for third parties via secure messaging (2) | Improved "first-call" resolution rate via electronic case folders (5)<br>Enhanced assistance options via secure e-mail and Internet correspondence (2)<br>Real-time access to customer account data (5)<br>Targeted, timely employee training in enhanced assistance capabilities (1,11)<br>Greater employee insight into customer history and future needs (4,5,9) | Proactive, targeted assistance delivered through multiple channels (5,6,7,8,9,10,11)   |
|  |   | Increased effectiveness via more targeted case selection (6)<br>Faster case resolution (4,6)  | Improved case management (5,6)  | Targeted exam efforts resulting from risk-based case selection (6)<br>Exam cycle reduced to 12 - 18 months (3,6)<br>Highly effective resource allocation (3,5,6)                     |
|  |   | Centralized case history (7)<br>Increased use of risk-based criteria for case-selection help to empower employees (7)   | Targeted collection efforts due to risk-based case selection (7)<br>Improved probability of successful collection resulting from earlier initiation (7)   |  |
|  | Enhanced training programs for employees (11)<br>Improved access to management information. (11)  |   | Targeted and timely employee training (11)<br>More effective workforce management (11)<br>Improved management reporting & decision-making (12)  | Integrated planning, budgeting and capital expenditure (12)<br>Improved overall resource/asset management (12)<br>Reliable financial statements (12)                                 |
|  | Consolidation of multiple IS Help Desks to a single Virtual Help Desk<br>Remote network support capabilities allowing flexible resource locations<br>Centralized reporting on all IRS computing devices   |   | Improved systems to provide global service<br>On-line Tax Law Assistance<br>Standards-based integrated systems development and maintenance environment  | Reduction in unit cost of telecommunications services while substantially increasing usage<br>Improved methods for providing continuous protection of IRS information resources      |

Tier B projects to be defined by new business units

\* in addition to near-term benefits

\*\* in addition to near-term and medium-term benefits

*Italic* - Process Re-engineering Enabled Benefits

*Blue* - Technology-enabled Benefits

*Plain* - Both Process & Technology Enabled